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January 13, 2004

VIA FEDERAL EXPRESS

The Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. for an Adjustment of its Rates and Charges, the Approval of Revised Tariffs and the Approval of Revised Service Regulations
Docket No. 03-00313 – Errata Filing

Dear Chairman Tate:

On September 30 and October 23, 2003, I caused to be filed with the Tennessee Regulatory Authority revised tariffs and service regulations of Nashville Gas Company. These filings were made in conformance with the direction of Director Miller at the September 22, 2003 hearing in this matter.

Since those filings, it has come to Nashville Gas' attention that one additional revision to its tariffs is necessary to correct an inconsistency contained in Service Schedule No. 311 – Purchased Gas Adjustment Rider. That inconsistency relates to the notice period prescribed in Section I.C. of that Schedule for revisions to the Company's PGA. Service Schedule No. 311 has historically provided for a thirty (30) day presumptive notice period for revisions to Nashville Gas Company's PGA mechanism. The version of this schedule filed on September 30, 2003, however, contained language indicating that notice of a PGA change would be filed with the Authority, where practicable, no less than "fifteen (30) days" in advance of the proposed effective date of the change. In light of the obvious internal inconsistency of this statement, correction is needed in order to ensure that Nashville Gas' tariffs are unambiguous as to the proper presumptive notice period for PGA changes.

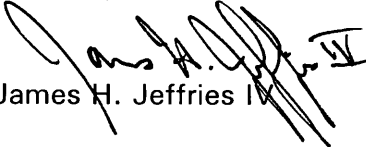
After a review of the file in this matter, and discussions with the Staff of the Authority, Nashville Gas Company proposes to adjust the existing language to incorporate an unambiguous thirty (30) day presumptive notice period for PGA changes in Section I.C. of Service Schedule No. 311, consistent with historic practice and Nashville Gas' prior approved tariffs. To this end, I have enclosed an original and thirteen copies each of a

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revised redlined and clean page 1 of 8 of Service Schedule No. 311 – Purchased Gas Adjustment Rider containing this revision. Please accept these for filing and return the additional "file-stamped" copy of each to me in the enclosed envelope.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,



James H. Jeffries IV

JHJ/srl

Enclosures

c: Mr. Timothy Phillips
Mr. George Godwin
Mr. Dale Grimes
Mr. David Carpenter

Clean Revised
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Service Schedule No. 311
Purchased Gas Adjustment Rider

SERVICE SCHEDULE NO. 311

Purchased Gas Adjustment Rider

I. General Provisions.

- A. This Purchased Gas Adjustment (PGA) Rider is intended to permit the Company to recover, in a timely fashion, the total cost of gas purchased for delivery to its customers and to assure that the Company does not over-collect or under-collect Gas Costs from its customers.
- B. This Rider is intended to apply to all Gas Costs incurred in connection with the purchase, transportation and/or storage of gas purchased for general system supply, including, but not limited to, natural gas purchased from interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of liquefied natural gas (LNG), liquefied petroleum gas (LPG), substitute, supplemental or synthetic natural gas (SNG), and other hydrocarbons used as feed-stock, other distribution companies and end-users, whether or not the Gas Costs are regulated by the Federal Energy Regulatory Commission and whether or not the provider of the gas, transportation or storage is affiliated with the Company.
- C. To the extent practicable, any revision in the PGA shall be filed with the Commission no less than thirty (30) days in advance of the proposed effective date and shall be accompanied by the computations and information required by this Rider. It is recognized, however, that in many instances the Company receives less than 30 days notice from its Suppliers and that other conditions may exist which may prevent the Company from providing 30 days advance notice. Therefore, should circumstances occur where information necessary for the determination of an adjustment under this Rider is not available to the Company so that the thirty(30) days requirement may be met, the Company may, upon good cause shown, be permitted to place such rates into effect with shorter advance notice.
- D. The rates for gas service set forth in all of the Rate Schedules of the Company shall be adjusted pursuant to the terms of the PGA, or any specified portion of the PGA as determined by individual Rate Schedule(s).
- E. No provision of this Rider shall supersede any provision of a Special Contract approved by the Commission.

II. Definitions.

- A. "**Gas Costs**" shall mean the total delivered cost of gas paid or to be paid to Suppliers, including, but not limited to, all commodity/gas charges, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges and take-and-pay charges (except as provided below), storage charges, service fees and transportation charges and any other similar charges which are paid by the Company to its gas suppliers in connection with the purchase, storage or transportation of gas for the Company's system supply.

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Service Schedule No. 311
Purchased Gas Adjustment Rider

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- B. This Rider is intended to apply to all Gas Costs incurred in connection with the purchase, transportation and/or storage of gas purchased for general system supply, including, but not limited to, natural gas purchased from interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of liquefied natural gas (LNG), liquefied petroleum gas (LPG), substitute, supplemental or synthetic natural gas (SNG), and other hydrocarbons used as feed-stock, other distribution companies and end-users, whether or not the Gas Costs are regulated by the Federal Energy Regulatory Commission and whether or not the provider of the gas, transportation or storage is affiliated with the Company.
- C. To the extent practicable, any revision in the PGA shall be filed with the Commission no less than ~~thirty fifteen~~ (30) days in advance of the proposed effective date and shall be accompanied by the computations and information required by this Rider. It is recognized, however, that in many instances the Company receives less than ~~3015~~ days notice from its Suppliers and that other conditions may exist which may prevent the Company from providing ~~3015~~ days advance notice. Therefore, should circumstances occur where information necessary for the determination of an adjustment under this Rider is not available to the Company so that the ~~thirtyfifteen-(3015)~~ days requirement may be met, the Company may, upon good cause shown, be permitted to place such rates into effect with shorter advance notice.
- D. The rates for gas service set forth in all of the Rate Schedules of the Company shall be adjusted pursuant to the terms of the PGA, or any specified portion of the PGA as determined by individual Rate Schedule(s).
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